

HOUSE No. 322

By Mr. O'Brien of Kingston, petition of Thomas J. O'Brien relative to creditable service for certain state employees of the contributory retirement system. Public Service.

The Commonwealth of Massachusetts

In the Year Two Thousand and Five.

AN ACT RELATIVE TO CERTAIN EMPLOYEES.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Subdivision (1) of section 4 of chapter 32 of the
2 General Laws, is hereby amended by inserting after paragraph
3 (g¹/₂), inserted by section 1 of chapter 114 of the Acts of 2000 the
4 following paragraph:—

5 (g³/₄) The period or periods before 1975 during which any
6 member in service of Group (1) of paragraph (g) for the purposes
7 of maternity leave or was on unpaid leave of absence for such pur-
8 poses from the governmental unit in which the member was
9 employed and had established membership in a Massachusetts
10 contributory retirement system shall be allowed as creditable
11 service, on a proportionate basis which the board shall determine
12 according to rules and regulations adopted by the board and
13 approved by the commission; provided, that no credit shall be
14 allowed unless such member has paid into the Annuity Savings
15 Fund of the system by December 31, 2001, in one sum or in
16 installments, upon such terms and conditions as the board may
17 prescribe, an amount equal to the deductions that would have been
18 withheld had the member continued in service, as determined by
19 the board, together with regular interest. No credit shall be
20 allowed and no payment shall be accepted under this paragraph
21 until such member shall have completed ten or more years of
22 membership service, but if any such member completes ten years
23 of service after December 31, 2001, the member shall be per-

24 mitted to make payment under this paragraph within 18 months of
25 the date she has completed ten years of service. The maximum
26 creditable service allowable under this paragraph for any member
27 shall not exceed four years.

1 SECTION 2. Section 5 of said chapter 32, as amended by
2 section 12 of chapter 68 of the acts of 1999, is hereby further
3 amended by adding the following subdivision:—

4 (5)(i) Notwithstanding the provisions of this chapter or any
5 other general or special law to the contrary, there is hereby estab-
6 lished an alternative superannuation retirement benefit program
7 for members of Group (1) of paragraph (g). Any member of said
8 Group (1) before July 1, 2002 may elect to participate in the alter-
9 native superannuation retirement benefit program. Said election
10 shall be made on or after January 1, 2002 and before July 1, 2002.
11 Any member of a contributory retirement system may elect to par-
12 ticipate in the alternative superannuation retirement benefit pro-
13 gram; provided that said election shall occur within 180 days of
14 establishing membership in said benefit program. The election to
15 participate in the alternative superannuation retirement benefit
16 program; provided, that said election shall occur within 180 days
17 of establishing membership in said benefit program. The election
18 to participate in the alternative superannuation retirement benefit
19 program shall be irrevocable. Any member who elects to so par-
20 ticipate shall be required to make a minimum of five years of
21 retirement contributions at the rate of 11 percent of regular com-
22 pensation pursuant to section 22. If said member elects to retire
23 before he has made said five years of contributions at 11 percent,
24 said member shall pay, in one sum or in installments as the board
25 may prescribe, an amount equal to that which would have been
26 withheld as regular deductions at the rate of 11 percent from his
27 regular compensation for such five year period based on his last
28 12 months of regular compensation less contributions made
29 during said member's last five years of creditable service. Any
30 inactive member who elects to retire before he has made said five
31 years of contributions at 11 percent shall pay, in one sum or in
32 installments as the board may prescribe, an amount equal to that
33 which would have been withheld as regular deductions at the rate
34 of 11 percent from his regular compensation for such five year

35 period based on the last 12 months of regular compensation which
36 would have been paid to said inactive member had said member
37 continued in the position from which he is currently inactive less
38 contributions made during said member's last five years of cred-
39 itable service. Any schedule permitting an acceleration of contri-
40 butions shall be consistent with the plan qualification
41 requirements of the Internal Revenue Code and shall, where nec-
42 essary to meet the requirements of the Internal Revenue Code,
43 provide for an actuarial reduction of benefits by the actuary
44 appointed by the commission in accordance with the provisions of
45 section 21. Any member who elects to participate in the alterna-
46 tive superannuation retirement benefit program and pays addi-
47 tional contributions pursuant to this section and does not complete
48 30 years of creditable service shall upon termination from mem-
49 bership in or retirement from the system be reimbursed such addi-
50 tional contributions, plus regular interest, as determined by the
51 retirement board.

52 (ii) The normal yearly amount of the retirement allowance for
53 an eligible employee who has completed at least 30 years of cred-
54 itable service and has paid the full amount of regular deductions
55 on the total amount of regular compensation as determined under
56 paragraph (a) of subdivision (2), shall be based on the average
57 annual rate of regular compensation as determined under said
58 paragraph (a) and shall be computed according to the table con-
59 tained in said paragraph (a) based on the age of such member and
60 his number of years and full months of creditable service at the
61 time of his retirement with the percentage of salary average in
62 such computation to be increased by 2 percent per year for each
63 full year of service in excess of 24 years of creditable service.
64 Such member shall have served for not less than 20 years in order
65 to be eligible to receive the benefit provided under this subdivi-
66 sion. For any member who retires before age 55, his age factor
67 shall be determined in accordance with subdivision (1) of section
68 10. Any member who retires before completing 30 years of
69 service shall receive a retirement allowance equal to the retire-
70 ment allowance that the member would have been eligible for had
71 he not participated in the alternative superannuation retirement
72 benefit program.

73 The total normal yearly amount of the retirement allowance, as
74 determined in accordance with this subdivision of any employee
75 who retires and receives an additional benefit under the alternative
76 superannuation retirement benefit program shall not exceed four-
77 fifths of the average annual rate of his regular compensation
78 received during any period of three consecutive years of cred-
79 itable service for which the rate of compensation was the highest
80 or of the average annual rate of his regular compensation received
81 during the period or periods, whether or not consecutive, consti-
82 tuting his last three years of creditable service preceding retire-
83 ment, whichever is greater.

1 SECTION 3. Subdivision (3) of section 21 of said chapter 32,
2 as so appearing, is hereby amended by adding the following para-
3 graph:—

4 (h) In consultation with the retirement board, review and
5 analysis of information required under subdivision (4) of section 5
6 and the valuation of the annual costs and actuarial liabilities
7 attributable to the additional benefits payable under said subdivi-
8 sion (4). The analysis shall focus on the contributions made by
9 members and the normal cost of benefits, plus any other liabilities
10 determined by the actuary to be a result of such benefit changes
11 under subdivision (4). The analysis shall also compare the total
12 costs and actuarial liabilities attributable to those members who
13 retire under the provisions of said subdivision (4) with the mem-
14 bers classified in Group 1 of paragraph (g) of subdivision (2) of
15 section 3 who do not retire under the provisions of said subdivi-
16 sion (4). Beginning January 1, 2003, and every year thereafter, the
17 actuary shall forward such analysis to the retirement board, the
18 clerks of the house of representatives and the senate, the house
19 and senate committees on ways and means and the joint com-
20 mittee on public service.

1 SECTION 4. Paragraph (b½) of said subdivision (1) of said
2 section 22 of said chapter 32, as so appearing, is hereby amended
3 by adding the following sentence:— The additional contributions
4 required under this paragraph shall not apply to any employee
5 who participates in the alternative superannuation retirement ben-
6 efit program established in subdivision (4) of section 5.

1 SECTION 5. No employee shall be retired under the alternative
2 retirement benefit program established under subdivision (4) of
3 section 5 of chapter 32 of the General Laws before July 1, 2002.